

MINUTE ITEM

3/31/66

27. CONSIDERATION OF SUBSIDENCE COSTS - L.B.W.O. 10,006(13).

After consideration of Calendar Item 8 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE COMMISSION DETERMINES THE SUBSIDENCE COSTS SUBSEQUENT TO APRIL 1, 1956, AND THE STATE'S SHARE OF SUCH SUBSIDENCE COSTS IN THE PORT OF LONG BEACH AUTHORIZED FUND EXPENDITURE NUMBER 13 THAT ARE DEDUCTIBLE FROM THE OIL REVENUE PAYABLE TO THE STATE UNDER THE PROVISIONS OF SECTION 5(a)(1) OF CHAPTER 29, STATUTES OF 1956, 1ST E.S., TO BE AS SHOWN ON EXHIBIT "A" ATTACHED HERETO AND HERETBY MADE A PART HEREOF; AND THE EXECUTIVE OFFICER OR THE ASSISTANT EXECUTIVE OFFICER IS AUTHORIZED ON THE BASIS OF THIS DETERMINATION TO EXECUTE APPROPRIATE WRITTEN INSTRUMENTS REQUIRING THAT ADJUSTMENTS TO EXISTING ACCOUNTS ON THE WORK CONSIDERED HEREIN BE MADE IN FAVOR OF THE STATE OF CALIFORNIA OR THE CITY OF LONG BEACH AS MAY BE NECESSARY TO FINALLY CLOSE SUCH ACCOUNTS.

Attachment

Calendar Item 8 (2 pages)

8.

CONSIDERATION OF SUBSIDENCE COSTS - L.B.W.O. 10,006(13).

On July 24, 1956 (Minute Item 1, page 2750), on August 15, 1956 (Minute Item 5, page 2761), on September 27, 1956 (Minute Items 15 and 16, pages 2819-2821), and on March 10, 1958 (Minute Item 24, page 3929), the Commission approved the costs expended by the City of Long Beach for contractor and force account payments on subproject "Transit Shed at Berths 20-21, Pier C", AFE 13.

The approval on the above-listed project was made subject to the condition, in part, that the amounts, if any, of each of the items to be allowed ultimately as subsidence costs, deductible under Section 5(a)(1) of Chapter 29, Statutes of 1956, 1st E.S., would be determined by the Commission upon an engineering review and final audit subsequent to the time when the work under any of these items was completed.

The work has been completed for the above-listed project, final costs have been collected and transmitted to the staff by the Long Beach Harbor Department, and the final engineering reviews and audits have been made by the staff, with results summarized in Exhibit "A" attached hereto.

Current accounts have been maintained during the progress of the work on this project by allowing deductions of estimated subsidence costs from monthly oil-revenue remittances to the State. Such approximate existing accounts will be adjusted and closed on the basis of results of the engineering review and final audit as shown on Exhibit "A" attached.

The Long Beach Harbor Department was informed of the results of the subject study, and more detailed discussion was invited, following which agreement was reached with representatives of that Department, as confirmed by their letter of January 5, 1966.

IT IS RECOMMENDED THAT THE COMMISSION DETERMINE THE SUBSIDENCE COSTS SUBSEQUENT TO APRIL 1, 1956, AND THE STATE'S SHARE OF SUCH SUBSIDENCE COSTS IN THE PORT OF LONG BEACH AUTHORIZED FUND EXPENDITURE NUMBER 13 THAT ARE DEDUCTIBLE FROM THE OIL REVENUE PAYABLE TO THE STATE UNDER THE PROVISIONS OF SECTION 5(a)(1) OF CHAPTER 29, STATUTES OF 1956, 1ST E.S., TO BE AS SHOWN ON EXHIBIT "A" ATTACHED HERETO AND HEREBY MADE A PART HEREOF; AND THAT THE EXECUTIVE OFFICER OR THE ASSISTANT EXECUTIVE OFFICER BE AUTHORIZED ON THE BASIS OF THIS DETERMINATION TO EXECUTE APPROPRIATE WRITTEN INSTRUMENTS REQUIRING THAT ADJUSTMENTS TO EXISTING ACCOUNTS ON THE WORK CONSIDERED HEREIN BE MADE IN FAVOR OF THE STATE OF CALIFORNIA OR THE CITY OF LONG BEACH AS MAY BE NECESSARY TO FINALLY CLOSE SUCH ACCOUNTS.

Attachment
Exhibit "A"

EXHIBIT "A"

SUBSIDENCE COST DETERMINATION

RESULTS OF ENGINEERING REVIEW AND FINAL AUDIT UPON COMPLETION
OF THE WORK

<u>H.D.</u> <u>DESIG-</u> <u>NATION</u>	<u>LBWO</u> <u>NUMBER</u>	<u>TITLE</u>	<u>TOTAL SUB-</u> <u>SIDENCE</u> <u>DEDUCTIONS</u> <u>FROM RE-</u> <u>MITTANCE OF</u> <u>OIL REVENUE*</u>	<u>DETERMINA-</u> <u>TION OF</u> <u>ALLOWABLE</u> <u>SUBSIDENCE</u> <u>DEDUCTIONS</u>	<u>CREDIT DUE</u> <u>STATE</u>
AFE 12	10,006	Transit Shed, Berths 20-21 Fier C.	\$ 22,104.80	\$10,990.46	\$ 11,114.34

*Actual deductions made on the basis of estimates by the Long Beach Harbor Department of the amount of subsidence costs in the project.